

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
)	
Federal-State Joint Board)	CC Docket No. 96-45
on Universal Service)	DA 98-2
)	
Report to Congress)	

REPLY COMMENTS OF AMERITECH

Ameritech¹ submits this reply to comments on the issues raised by the Common Carrier Bureau in connection with the Commission's required report to Congress on universal service.² Ameritech will limit its reply to the fifth issue raised by the public notice:

The Commission's decisions regarding the percentage of universal service support provided by Federal mechanisms and the revenue base from which such support is derived.

Ameritech is aware of the significant concern expressed by commenting parties about a potentially burdensome effect that the Commission's high cost plan might have on state jurisdictions.

¹Ameritech means: Illinois Bell Telephone Company, Indiana Bell Telephone Company, Incorporated, Michigan Bell Telephone Company, The Ohio Bell Telephone Company, and Wisconsin Bell, Inc..

² Public Notice DA 98-2, January 5, 1998 ("Public Notice").

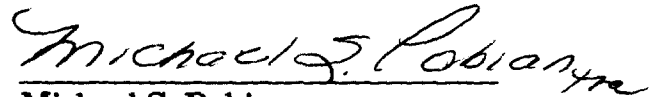
Consistent with its initial comments in response to the Public Notice, Ameritech must insist that any Commission attempt to create a combined state-interstate fund that addresses all universal service costs would be contrary to the statute. However, Ameritech recognizes that it may be appropriate to address some dislocations that may result from the Commission's decision to require carriers -- particularly small, rural carriers -- to reduce access charges by amounts they receive in federal universal service support -- particularly in light of the fact that such reductions were not required in the past.

In that regard, Ameritech would have no objection if the Commission were to modify its plan to permit those carriers who are currently the beneficiaries of dial equipment minute ("DEM") weighting or Long Term Support to be exempt from the requirement to use federal universal service support only to reduce interstate access charges. Such a modification would preserve the support that current federal mechanisms provide to local rates for those small, high-cost carriers for whom a shift would be most disruptive. This minor modification would leave unaffected for those carriers any state mechanisms that currently exist to support their operations. Moreover, it would mitigate any potentially traumatic effect of the removal of DEM weighting from those carriers' interstate access charges -- which effect might be "mirrored" in those carriers' intrastate access rates as well.

However, again, Ameritech must reiterate that a wholesale reconfiguration of the Commission's high-cost support mechanism into one that deals

comprehensively with both state and interstate costs would violently conflict with the statutory paradigm.

Respectfully submitted,

A handwritten signature in cursive script, reading "Michael S. Pabian".

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Dated: February 6, 1998

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CERTIFICATE OF SERVICE

I, Todd H. Bond, do hereby certify that a copy of the foregoing Reply Comments of Ameritech has been served on the parties listed on the attached service list, via first class mail, postage prepaid on this 6th day of February, 1998.

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